

IRS News Release

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IRS Seeks New Issues for the Industry Issue Resolution Program

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WASHINGTON — The Internal Revenue Service is encouraging business taxpayers, associations and other interested parties to submit to the Industry Issue Resolution (IIR) Program tax issues for resolution that involve a controversy, dispute or an unnecessary burden on business taxpayers.

The objective of the IIR program is to resolve through issuance of new and improved guidance business tax issues common to significant numbers of taxpayers. In past years, issues have been submitted by associations and others representing both small and large business taxpayers, resulting in tax guidance that has affected thousands of taxpayers.

Submissions received are reviewed semi-annually with selections next being made from issues submitted by Aug. 31, 2009.

The IIR program recently accepted for review the topic of technical terminations of publicly traded partnerships.

Guidance issued as a result of the IIR program includes:

- Auto Last In First Out (LIFO) for automobile wholesalers, manufacturers and dealers regarding the proper treatment of the dollar-value, LIFO inventory method for pooling purposes of crossover vehicles, which have characteristics of trucks and cars. (Revenue Procedure 2008-33)
- Valuation of Parts Inventory by Heavy Equipment Distributors. (Revenue Procedure 2006-14)
- Clarification regarding circumstances when facsimile signatures may be used to sign employment tax forms. (Revenue Procedure 2005-39)
- An explanation of the circumstances under which insurance companies that make incentive payments to health care providers will be permitted to include those payments in unpaid losses and how a taxpayer may obtain permission to change their accounting method for such payments. (Revenue Procedure 2004-41)

For each issue selected, an IIR team, consisting of IRS and Treasury personnel, gathers relevant facts from taxpayers or other interested parties affected by the issue. Their goal is to recommend guidance to resolve the issue. This benefits both taxpayers and the IRS by saving time and expense that would otherwise be expended on resolving the issue through examinations.

IIR project selections are based on the criteria set forth in Revenue Procedure 2003-36. For each issue selected, a multi-functional team of IRS, Chief Counsel, and Treasury personnel will be assembled. The teams will gather and analyze the relevant facts from industry groups and taxpayers for each issue and recommend guidance.

Requests for guidance on tax issues under the IIR program can be submitted at any time to IIR@irs.gov.